



**JAIN COLLEGE, J C Road Bangalore**  
**Mock Paper - 1, February - 2015**  
**II PUC – Accountancy (30)**

**Time: 3 Hours 15 Minutes**

**Max. Marks:100**

**SECTION-A**

- I. Answer any seven of the following question, Each carries two marks. 7 x 2 = 14**
1. What is depreciation fund method?
  2. Give the journal entry when goodwill is brought in cash and distributed among old partners?
  3. What is the need for calculation of gain ratio?
  4. What is the difference between fixed and fluctuating capital system?
  5. Give the journal entry when assets is taken over by partner in dissolution of a firm.
  6. When can shares be forfeited?
  7. What is trend analysis?
  8. What is debt equity ratio?
  9. What is DBMS?
  10. What are legacies?

**SECTION-B**

- II. Answer any four of the following question, Each carries five marks. 4 x 5= 20**
11. Raghu and Suma are equal partners with capitals of Rs.60,000 and Rs.40,000 respectively. The partnership deed provided for interest on capital at 5% p.a, interest on drawings at 5% p.a and annual commission of Rs.3,000 to Suma. During the year Raghu withdrew Rs,4,000 and Suma Rs.2,000 for private use. The profit before adjustment of interest on capital, interest on drawings and Suma’s commission was Rs. 12,000 for the year. Prepare the P&L appropriation a/c.
  12. X and Y were partners sharing profits in the ratio of 3:2. They admit z for 1/5<sup>th</sup> share in the future profit which is acquired in the ratio of ¾ and ¼ respectively from X and Y. Calculate the contribution ratio and new profit sharing ratio of the partners.
  13. Explain the network database model with an example.
  14. Varun company limited issued 1000 debentures of Rs.100 each at a premium of 10% payable as follows.  
 Rs.20 on application  
 Rs. 50 On allotment and Rs.30 on first and final call. All the debentures were subscribed and money duly received. Pass the necessary journal entries.
  15. Rama, Krishna and Govind are the partners sharing profit and losses in the ratio of 2:2:1.their balance sheet as on 31.03.2012 was as under. Balance sheet as on 31.03.2012

liabilities	Amount	Assets	Amount
Creditors	9,000	Cash	12,000
Bills payables	6,000	Stock	8,000
Reserve Fund	5,000	Bills Receivables	5,000
<b>Capitals</b>		Debtors	20,000
Rama      40,000		Furniture	30,000
Krishna    35,000		Buildings	35,000
Govind <u>15,000</u>	90,000		
	1,10,000		1,10,000

Govind died on 1.7.2012. His executors were entitled to the following:

- a. His capital as on the date of death.
- b. His share of reserve fund.
- c. His share of goodwill. Goodwill of the firm is valued at Rs.50,000.
- d. Interest on capital @ 6% p.a.

e. Profit till the date of death based on the previous year profit. The profit for the year 2012 was Rs.10,000.

f. Commission- annual commission Rs.6,000.

You are required to ascertain the amount payable to the executors of the deceased partner.

16. Compute stock turnover ratio and Average inventory from the following information.  
Sales:Rs.1,20,000 Gross profit Rs.2,00,000 opening stock Rs.90,000 closing stock Rs.1,05,000.
17. From the following ledger balances as on 1/04/2013, find out the opening capital fund.  
Buildings-Rs.1,10,000, Furniture-Rs.15,000, Investments-Rs.45,000, O/S expenses-Rs.3,500.  
Prepaid insurance- Rs.5,000, subscriptions received in advance-Rs.4,000, cash in hand-Rs.9,000.

### SECTION C

III. Answer any four of the following question, Each carries Fourteen marks.

4 x 14 = 56

18. Prepare comparative position statement of Arun motors co, ltd.

Particulars	Amount	Amount
	01.04.2013	01.04.2014
Cash in hand	8,000	20,000
Furniture	10,000	20,000
Plant and Machinery	60,000	80,000
Investments	8,000	6,000
Buildings	50,000	60,000
Stock	44,000	38,000
Bills Receivables	20,000	16,000
Sundry Debtors	38,000	50,000
Sundry Creditors	28,000	32,000
Debentures	30,000	20,000
Bills payables	5,000	4,000
Equity share capital	1,00,000	1,50,000
Preference share capital	50,000	70,000
Reserves	20,000	10,000
Bank overdraft	5,000	4,000

19. Preethi, Shruthi and Malathi are the partners in a firm sharing profits and losses in the ration of 3:2:1 and their balance sheet as on 31.03.13 were as follows.

liabilities	amount	Assets	amount
Creditors	10,000	Bank	6,000
Bills payables	5,000	Stock	10,000
Rathi's loan	15,000	Debtors	31,000
<u>Capitals</u>		Less: Reserve	<u>1,000</u>
preethi	30,000	Equipment	15,000
shruthi	20,000	Buildings	29,000
malathi	<u>20,000</u>	Bills receivables	4,000
	70,000	P&L A/C	6,000
	<u>1,00,000</u>		<u>1,00,000</u>

On the above date Shruthi retires from the firm on the following terms:

- a. RBDD is to increased by Rs.2,000 and buildings to be appreciated by 10%.
- b. A liability of Rs. 1,100 included in creditors is not likely to arise hence should be written back.
- c. Stock is found overvalued by 5%.
- d. Shruthi's share of goodwill is agreed upon at Rs.8,000. Such goodwill raised is written back to Capital A/c of the continuing partners.

Prepare necessary ledger accounts and show the balance sheet of the new firm.

20. On 1/4/2010 sham & co, purchased a machine at Rs.50,000. On 1/4/2011 another machine was purchased for Rs.33,000. On 31/09/12 the machine purchased on 1/4/2011 was sold for Rs.22,000. Depreciation was charged at 10% p.a. on diminishing balance method. Prepare machinery A/c and depreciation A/c for 4 years.
21. X, Y and Z are the partners sharing profits and losses in the ratio of 2:2:1. The balance sheet as on the date of the dissolution was as follows:

liabilities	amount	Assets	amount
Creditors	10,000	Stock	18,000
Bills payable	6,000	Debtors	15,000
General Reserves	18,000	Furniture	12,000
Bank overdraft	4,000	Buildings	74,000
Mrs. Z's loan	5,000	Machinery	20,000
<u>Capitals</u>		Prepaid insurance	1,000
X	47,000		
Y	30,000		
Z	<u>20,000</u>		
	97,000		
	<u>1,40,000</u>		<u>1,40,000</u>

Assets realized as below:

- Debtors at 10% less, stock realized 10% more, Value of machinery realized at Rs.19,000, building Rs.76,000.
  - Furniture was taken over by X at Rs.9,000.
  - Dissolution expenses amounted to Rs.3,900.
  - Creditors and B/P were settled at 10% less than the book value
  - Z took over his wife's loan.
  - Vehicle which was unrecorded also realized Rs.4,000.
- Prepare realization account, capital accounts and bank account.
22. The following is the balance sheet of Vijay library as on 01/04/13

Balance sheet as on 1/04/13

liabilities	amount	Assets	amount
Outstanding rent	,200	Cash	1,400
Capital fund	23,800	Books	14,000
		Furniture	8,000
		Outstanding subscription	600
	<u>24,000</u>		<u>24,000</u>

Receipts and payments account for the year ending 31/03/14

Receipts	amount	Payments	amount
To cash balance	1,400	By rent	2,400
To subscriptions	12,000	By printing	1,200
To entrance fees	2,000	By office Expenses	2,800
To donations	4,000	By books brought (30.06.13)	10,000
To sale of old papers	1,000	By Investments	2,000
To sundry receipts	600	By closing balance	2,600
	<u>21,000</u>		<u>21,000</u>

Adjustments:

- Outstanding rent on 31.03.14 was Rs.300.
- Subscription receivables for the year 2013 amounted to Rs.400

- c. Subscription received in advance for the year 2014 was Rs.800.
- d. Half of the entrance fees and entire donations are to be capitalized
- e. Depreciate books at 10% and furniture at 5%

Prepare income and expenditure A/c and Balance sheet as on 31.03.2014.

23. Following is the trail balance of Santhosh Manufacturing Co, Ltd. as on 31.03.2013.

Trial balance as on 31.03.2013

Particulars	Debit Rs.	Credit Rs.
Share capital (1600 shares of Rs.100each)		1,60,000
Stock as on 1.04.2012	1,02,000	
Purchases and sales	4,40,000	6,60,000
Returns	7,600	
General expenses	3,600	
Wages	24,000	
Salaries	37,400	
Travelling expenses	6,400	
Advertising	3,100	
Rent and taxes	9,800	
Discount received		4,400
Bank interest	1,700	
Bad debts	5,000	
Buildings	1,80,000	
Plant and machinery	2,06,000	
Sundry debtors and creditors	90,000	1,11,000
Loan		50,000
Cash	2,800	
Reserve fund		46,000
Preliminary expenses	22,000	
Profit and loss account (cr)		1,10,000
	11,41,400	11,41,400

Adjustments:-

- a. Dividend at 15% on share capital is to be provided
- b. Transfer Rs. 20,000 to reserve funds.
- c. Depreciations on plant and machinery at 10% and buildings @ 5%.
- d. Stock as on 31.12.2012 was valued at Rs.24,000.
- e. Write off 50% of preliminary expenses

Prepare the income statement and position statement in prescribed form.

24. Vivek trading company limited issued 10,000 equity shares of Rs.10 each at a premium of Rs.2 per share. The amount was payable as follows Rs.2 on application, Rs.5 on allotment including premium, Rs.3 on first call and Rs.2 on final call.  
All the shares were subscribed and the money duly received except the final call on 1,000 shares. The directors forfeited these shares and re-issued them as fully paid at Rs.8 per share. Pass the necessary journal entries.

#### SECTION D (practical oriented Questions)

- IV. Answer any two questions from the following. Each questions carries five marks. **2 x 5 = 10**
- 25. Prepare capital accounts of two partners under Fluctuating Capital System with 5 imaginary figures.
  - 26. Prepare executors loan A/c for 3years with two yearly equal annual installment with imaginary figures
  - 27. How do you treat the following in the absence of partnership deed.
    - a. Interest on capital
    - b. Interest on drawings
    - c. Interest on loan
    - d. Distribution of profit and loss
    - e. Salary and commission to the partner.



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**SECTION-A**

- I. Answer any seven of the following question, Each carries two marks. 7 x 2 = 14**
1. What is depreciation?
  2. What is partnership deed?
  3. State any 2 factors determining goodwill.
  4. What is the journal entry to be passed for transferring profit or loss on revaluation in case of retirement of the partner?
  5. What is Authorised capital?
  6. Give the journal entry to close partners loan account on dissolution of the firm.
  7. What is meant by over subscriptions?
  8. What is meant by corporate dividend tax?
  9. Mention any two examples of non-profit organisations?
  10. What is meant by data processing system?

**SECTION-B**

- II. Answer any four of the following question. Each question carries five marks. 4 x 5 = 20**
11. Suresh and Mahesh are partners in a firm. Suresh withdrew Rs.2000 at the end of every two months. Calculate interest at 8% p.a. on drawings of Suresh for the year ending 31<sup>st</sup> march 2014 under product method.
  12. A and B are partners sharing profits and losses in the ratio of 7:3. They admit C into partnership and offer him ¼ share which he acquires equally from A and B. calculate New profit sharing ratio.
  13. Mention any five advantages of DBMS.
  14. The Fruitfull Co, ltd purchased building worth Rs.1,50,000, Machinery worth Rs.1,00,000 and furniture worth Rs. 65,000 from Net worth co, Ltd for a purchase consideration of Rs.3,00,000. Fruitfull co, ltd paid the purchase consideration by issuing 12% debentures of Rs.100 each at a premium of 5%. Journalise the entries.
  15. Mr. A of ABC builders expired on September.30th 2013 and the balance sheet as on 31.3.2013 was as under.

Liabilities	amount	Assets	amount
Due for purchases	5,00,000	Cash	1,000
Loans	7,00,000	Stock	9,00,000
Payments due	1,00,000	Bank	3,00,000
<u>Capitals</u>		debtors	3,99,000
A            5,00,000		Office Furniture	2,00,000
B            9,00,000		Land and Buildings	10,00,000
C <u>8,00,000</u>	22,00,000	Equipments	5,00,000
		Goodwill	2,00,000
	35,00,000		35,00,000

The other information:

- a. The partners shared profits in the ratio of 2:2:1 for A, B and C respectively
- b. His share of profits upto the date of death is based on average profits of past 3 years. Average profits of past 3 years was 1,50,000
- c. Mr.A was entitled to the following, as per the deed of the firm: Interest on capital @12%p.a and a salary(total) of Rs.25,000. He had drawn Rs.30,000 from the firm upto sep.30.2013 and was also liable to pay interest of Rs.1,000 on the same.
- d. The profit on revaluation as on the date of death was Rs.4,50,000.

Ascertain the amount payable to the executor's of A.

16. Gross profit ratio of a company was 25%. Its credit sales was Rs.18,00,000 and its cash sales was Rs.2,00,000. If the indirect expenses of the company were Rs.1,00,000. Calculate its net profit ratio.
17. From the following ledger balances as on 01-04-2013, find out the opening capital fund. Buildings Rs.80,000, Furniture Rs.20,000, Investments Rs.40,000, o/s expenses Rs.20,000, o/s subscriptions Rs.1,000, Prepaid insurance Rs.500. Subscriptions received in advance Rs.3,000, Cash Rs.9,500.

### SECTION C

III. Answer any four of the following question, Each carries Fourteen marks. 4 x 14 = 56

18. The balance sheet of Sun Ltd. Is given as follows for the year 2012 and 2013. Prepare common size balance sheet.

Particulars	Amount 31.03.2012	Amount 31.03.2013
Preference share capital	12,00,000	16,00,000
equity share capital	15,00,000	40,00,000
reserves and surplus	1,40,000	1,80,000
long term loans	11,50,000	13,00,000
bills payables	20,000	-
sundry creditors	1,20,000	40,000
outstanding expenses	1,50,000	60,000
proposed dividend	1,00,000	9,00,000
land and buildings	8,00,000	12,30,000
plant and machinery	33,40,000	60,00,000
temporary investments	10,000	4,00,000
inventories	1,00,000	2,50,000
debtors	40,000	80,000
prepaid expenses	10,000	20,000
cash & bank balance	80,000	1,00,000

19. Suma and Uma are the partners sharing P/L equally. Their balance sheet as on 31/03/2014 was as follows. Balance sheet as on 31/03/2014

liabilities	Amount	Assets	amount
Creditors	30,000	Cash in hand	15,000
Canara bank Loan	10,000	Book Debtors	30,000
General reserve	10,000	(-) RBD	<u>3,000</u>
		Stock	13,000
<u>Capitals-</u>		Investments	30,000
Suma	75,000	Furniture	15,000
<u>Uma</u>	65,000	Buildings	90,000
	<u>1,90,000</u>		<u>1,90,000</u>

On 01/ 04/2014 sharada admitted to the partnership on the following terms:

- a. Sharada should bring Rs.75,000 capital for 1/3 share.
- b. Goodwill valued at Rs.30,000 and written off immediately.
- c. provided Rs.1,000 for o/s salary.
- d. Commission received in advance Rs.2,000.
- e. RBDD decreased by Rs.1,000.
- f. Discount on creditors at 10%.
- g. Appreciate Buildings by 10%.

Prepare necessary ledger Accounts and balance sheets

20. From the following information prepare Machinery A/c and depreciation A/c for 4 years under straight line method.

1. Machinery 'A' was purchased on 01.04.2009 for Rs.80,000.
2. Machinery 'B' was purchased on 01.10.2010 for Rs.60,000
3. Machinery 'A' was sold on 30.11.2011 for Rs.58,000.
4. Machinery 'C' was purchased on 01.01.2012 for Rs.80,000.

Depreciation is to be charged at 10% p.a. The firm closed its books of account every year on 31<sup>st</sup> march.

21. X, and Y are the partners. Their balance sheet were as follows.

Balance sheet as on 01/04/2014

liabilities	amount	Assets	amount
Creditors	20,000	Cash at bank	20,000
Bills payables	5,000	Debtors 30,000	
General reserves	5,000	(-)reserves <u>2,000</u>	28,000
Mrs. X loan A/c	10,000	Stock	12,000
Mr. Y's loan A/c	10,000	Investments	20,000
<u>Capital</u>		Furniture	20,000
X 80,000		Buildings	1,00,000
Y <u>70,000</u>	1,50,000		
	<u>2,00,000</u>		<u>2,00,000</u>

On the above date they dissolved the firm

- a. The assets realised are as follows: Debtors- Rs.27,000 Stock Rs.14,000, Buildings Rs.1,20,000.
- b. Investments were taken over by X for Rs.18,000 and agreed to pay his wife's loan.
- c. Furniture was taken over by Y at book value.
- d. A bill under discount Rs.1,000 dishonoured and now payable by the firm
- e. Unrecorded asset worth Rs.5,000 now realised.
- f. Creditors were paid @ 10% less.
- g. Realisation expenses Rs.2,000.

Prepare: Realisation A/C, Partners Capital A/C and Bank A/C.

22. Ravi company limited issued 5,000 equity shares of Rs.100 each at a discount of 10%. The amount payable is as follows: on application Rs.20, on allotment Rs. 20 and on first call Rs.25 and on final call Rs.25. Mr. X holding 100 shares did not pay final call money. His shares were forfeited and were reissued to Y for Rs.70. Pass the necessary journal entries.
23. The following is the receipts and payments a/c of Bangalore Youth club as on 31/03/13

Receipts and payments account for the year ending 31/03/13

Receipts	amount	Payments	amount
To balance b/d	6,000	By salaries	3,00,000
To subscriptions	4,00,000	By Rent	1,20,000
To entrance fees(capital)	1,00,000	By charity show payments	40,000
To donations(capital)	2,00,000	By books brought	1,00,000
To Life membership fees	4,00,000	By fixed assets	6,00,000
To charity show receipts	44,000	By general expenses	20,000
To general income	1,00,000	By balance c/d	90,000
To income from investments	20,000		
	<u>12,70,000</u>		<u>12,70,000</u>

The following were the balances on 01/04/12 were: Fixed assets Rs.4,00,000, Books Rs,3,00,000, subscriptions receivables Rs.10,000 endowments Rs.2,00,000. The following were the balances on 31/03/13- subscriptions in advance Rs.12,000 and due Rs.15,000, salaries outstandings Rs.10,000. Provide Depreciation on fixed assets Rs 20,000. Prepare income and expenditure A/c and Balance sheet as on 31.3.2013.

24. Following is the trail balance of Davangere oil mills co, ltd. as on 31.12.2013.

Trial balance as on 31.12.2013

Particulars	Debit (Rs)	Credit (Rs)
Shares capital (2400 shares of Rs.100 each)		2,40,000
Reserve fund		15,200
Stock as on 1-04-2013	32,000	
Purchases and sales	1,20,000	2,80,000
Returns	8,000	6,000
Wages	34,000	
Freight	8,000	
Salaries	24,000	
Sundry expenses	24,000	
Discounts	10,000	6,000
Bills receivable	4,000	
Debtors and creditors	56,000	22,800
Land and buildings	80,000	
Preliminary expenses	29,600	
Machinery	32,000	
Furniture	46,000	
Investments	36,000	
Cash in hand	18,400	
Cash at bank	24,000	
Loose tools	40,000	
Goodwill	40,000	
Loan		40,000
P/L appropriation a/c		16,000
Debentures		40,000
	6,66,000	6,66,000

Adjustments:

- Closing stock 48,000.
- Depreciate machinery at 5%p.a
- Write off Rs.4,800 as bad debts.
- Write off Rs,13,600 from preliminary expenses
- Provide for dividend Rs.28,000
- Transfer Rs.4,000 to Reserve Fund.

**SECTION D** (practical oriented Questions)

**IV. Answer any two questions from the following. Each question carries five marks. 2 x 5 = 10**

- Write the pro-forma of vertical balance sheet of a joint stock company with appropriate heads.
- Prepare profit and loss appropriation account of a Company with 5 imaginary figures.
- Classify the following Receipts into Capital and Revenue:
  - Life membership Fees
  - Sale of old sports materials
  - Subscriptions
  - Tuition fees
  - Prize amount Rs.1lakh received from Lottery.

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